



UNITRONICS (1989) (R"G) LTD.

PRESS RELEASE

Airport City, Israel

April 29, 2015

*****Regulated Information*****

*****For Immediate Release*****

Re: A presentation to be presented in the Capital Market

Airport City, Israel – April 29, 2015 – Unitronics published the attached Report, pursuant to the requirements of Israeli law, in concerning with a presentation to be presented in the Capital Market

About Unitronics

Unitronics (1989) (R"G) Ltd. is an Israeli company that engages, through its Products Department, in the design, development, production, marketing and sale of industrial automation products, mainly Programmable Logic Controllers ("PLCs"). PLCs are computer-based electronic products (hardware and software), used in the command and control of machines performing automatic tasks, such as production systems and automatic systems for industrial storage, retrieval and logistics. The Company also engages, through its Systems Department and/or its subsidiaries, in the design, construction and maintenance services in the framework of projects for automation, computerization and integration of computerized production and/or logistics systems, mainly automated warehouses, automated distribution centers and automated parking facilities. The Company's PLCs are distributed by over one hundred and forty distributors (and a wholly owned US subsidiary) in approximately fifty countries throughout Europe, Asia, America and Africa. The services of the Systems Department are provided to customers in Israel and also outside Israel.

This press release contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Management of the Company as well as assumptions made by and information currently available to the Management of the Company. Such statements reflect the current views of the Company with respect to future events, the outcome of which is subject to certain risks and other factors which may be outside of the Company's control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein as projected, anticipated, believed, estimated, expected or intended.



Unitronics (1989) (R"G) Ltd.
("The Company")

April 29, 2015

Subject: A presentation to be presented in the Capital Market

The Company hereby publishes a presentation it intends to present to investors and public institutions related to the capital market (hereinafter: "the presentation").

The Company is publishing this presentation as a precaution, since it may include information presented in a different manner to the manner in which it was presented in reports to the public published by the Company. This presentation was prepared mainly as a summation and for the sake of convenience, and is not intended to replace the need to review the reports issued to the public by the Company.

It is hereby clarified that the presentation does not constitute an offer to purchase securities of the Company or an invitation to receive such offers, nor a recommendation, opinion or basis for investment decisions regarding securities of the company or in connection with the sale of such securities.

The Company does not undertake to amend and/or revise the information included in the presentation in order to reflect events and/or circumstances occurring after the date of presenting the presentation.

Sincerely,

Unitronics (1989) (R"G) Ltd.

Unitronics

Capital Market Presentation

April 2015

www.unitronics.com



This presentation by the Company includes forward-looking information as defined in the Securities Act, 1968. Such information includes, inter alia, forecasts, targets, assessments and estimates as well as other information with regard to future events or matters, whose materialization is uncertain and may be impacted by factors which may not be evaluated ahead of time and which are outside the Company's control.

Forward-looking information is based on estimates by Company management which are based, inter alia, on information available to management upon compiling this presentation, including assessment of the Company's operating markets, statistical data and other statistical publications by various entities, whose content has not been independently verified by the Company and therefore the Company is unable to vouch for their correctness.

Materialization of this forward-looking information, in whole or in part, or different from that anticipated, or non-materialization thereof would be impacted, inter alia, by marketing challenges to introduction of products, systems and services being developed and/or offered by the Company, challenges to increasing awareness of consumption of such products, systems and services, failures of distributor operations or of negotiations with potential distributors and/or customers, changes in layout of the markets or competition therein as well as by risk factors associated with Company operations, including developments in the macro-economic environment and external factors which impact Company business.

This presentation does not constitute an offer nor invitation to purchase and/or allot Company securities. This presentation is provided merely for conciseness and convenience and does not replace the need to peruse the Company's immediate reports.

The forecasts and estimates are based on data and information available to the Company upon compiling this presentation and the Company does not undertake to update and/or modify these forecasts and/or estimates so as to reflect events and/or circumstances which may prevail after the compilation of this presentation.

This presentation may include data and information not included on the Company's financial statements and immediate reports as made public, or which may be presented differently from how they were included on public reports issued by the Company. In any case of contradiction between reports made public and information in this presentation, the former shall prevail.



West Hollywood, California (200 Parking spaces)

<https://www.youtube.com/watch?v=NcgV-7jDuIQ>



- **Long-established Israeli company with international presence**

International operations in fields of control, automation and logistics since 1989

- **Revenues in 2014: NIS 171 million**

Cumulative positive cash flow from current operations:
NIS 46 million, from 2011 to 2014

Shareholder equity: NIS 50 million, about 24% of total assets
(as of Dec.31, 2014).

- **Over 200 employees**

Departments: software, hardware, electric, control, mechanics, marketing, QA, management and all support disciplines

- **Active, expanding international marketing operations**

165 distributors world-wide and two wholly-owned subsidiaries in USA



Unitronics – stability based on 3 operating segments

- **Logistics systems segment**

Project-based integration activity

Design, development, construction and integration of automated logistics systems, automated warehouses, distribution centers, sophisticated conveyance systems – one-stop shop approach



- **Parking solutions segment**

Combined projects and off-the-shelf products

Design, development, manufacturing and international marketing of automated parking solutions

- **Products segment**
Electronic off-the-shelf products

Design, development, manufacturing and international marketing of advanced industrial control and automation products, providing added value in specified niches for use in various industrial sectors



Products segment



Off-the-shelf control and automation products

- Controller – the "brain" of the machine, electronic, computer-based products used to control machinery and processes.
- Controllers are used in all industrial sectors: pharmaceuticals, automotive, food, electronics, metal, plastics, agriculture, water, paper, recycling, energy etc.
- Main customers: Machine manufacturers and integrators (design and construction entities) for automated systems and factories.



Off-the-shelf control and automation products

- Over 25 years of experience in design, development, manufacturing and international marketing of Programmable Logic Controllers - PLC
- Hundreds thousands of units sold over the world each year
- About 100 employees, offices in Boston and Israel
- Global Presence - about 165 distributors



Outstanding achievements in 2014, and beginning of 2015

- Increase of 13% in 2014 sales comparing to 2013
- Launch of new generation controllers **UNISTREAM™**
 - Expanding the functionality with emphasis on advanced capabilities
 - Focus on maximum exposure and product positioning
 - Winning first major projects
- Forth time awarded prize in competition by Control Engineering magazine
- **Launching the Samba product line**
The product line's new Low Cost Division offering an attractive performance to cost ratio
 - ❖ SM35 was launched April, 2014
 - ❖ SM43 was launched September, 2014
 - ❖ SM70 was launched March, 2015



Unitronics controllers – examples



Packaging machines
(Croatia)



Automated weighing and packaging
(Italy)



Tomato sauce bottling machines
(Italy)



Unitronics controllers – examples



Collection and processing
fuels (USA)



Purify and handling of oils at
hydraulic systems
(USA)



Unitronics controllers – examples



Textile factories
(Turkey)



Gas Systems
(USA)





Milk pasteurization systems
(Hungary)



Amonia cooling systems
(Ireland)



Control of poultry farms and breeding
facilities (USA)



Unitronics controllers – examples



Theme park control
(Efteling, Holland)



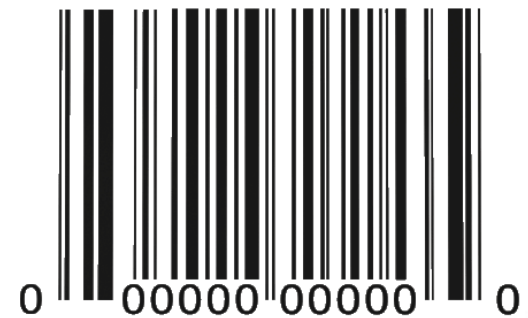
Water parks
(USA)



Data feed at casino
(Austria)



Logistics systems segment



Project-based integration activity

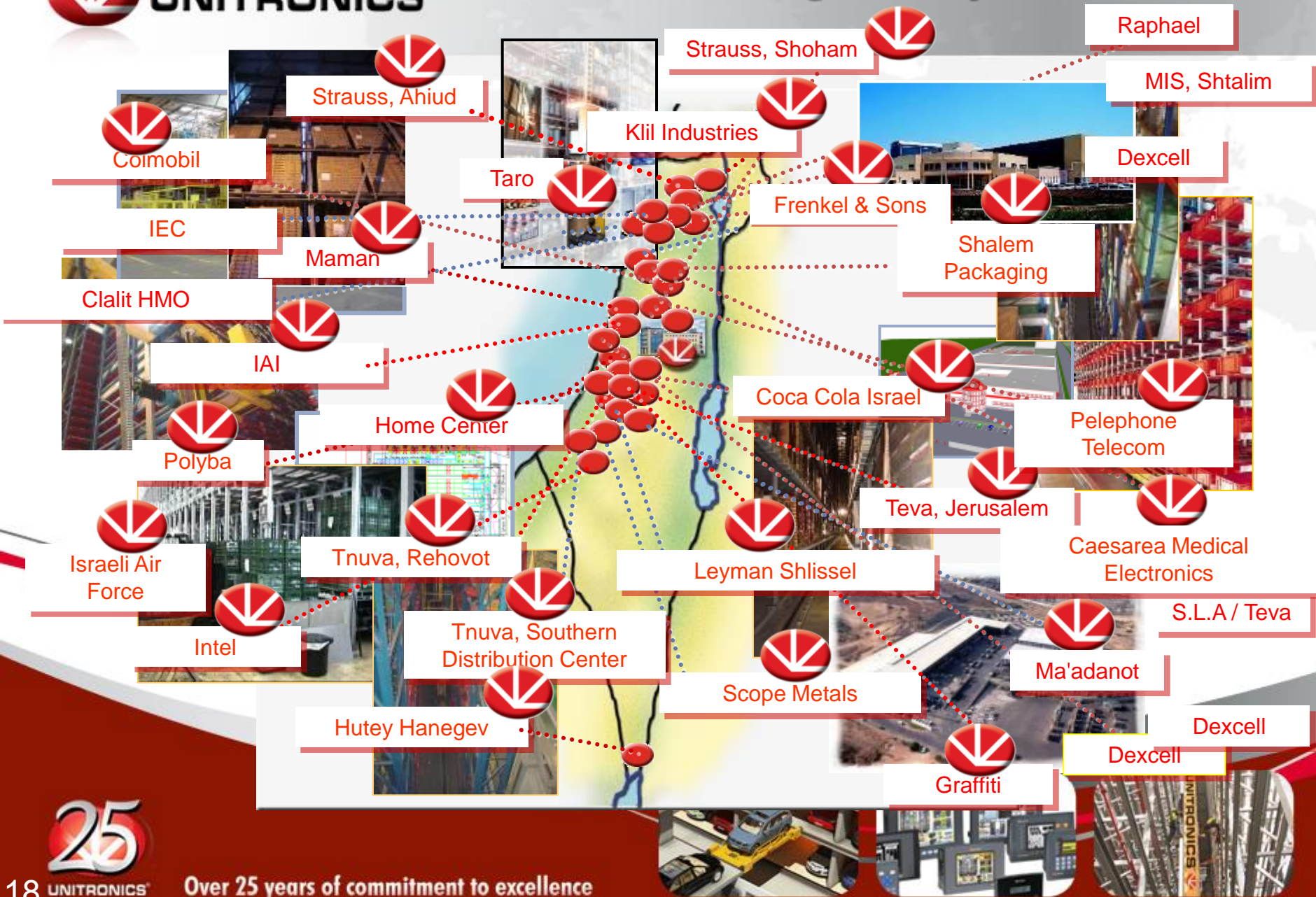
- Unitronics is engaged in design, development, construction and integration of automated logistics systems, automated warehouses, distribution centers, sophisticated conveyance
- Selling to industries such as dairy, fashion, food/beverage, office supplies, pharmaceuticals, e-commerce
- Many systems in this area in Israel
- Value to customer:
 - Reduce construction costs
 - Increase productivity and support growth
 - Reduce inventory levels
 - Reduce response time



Unique added value

- One-Stop shop
- Customized projects for customers
- Assisting customers prior to decision making, strategic, functional and engineering design, supply chain analysis and economic feasibility of solution
- Construction and integration of all system components (construction, mechanical, electric, control, software)
- Service and maintenance







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Logistics systems – examples

**Establishment of a national logistics center For Teva S.L.A. Group
in Modiin industrial zone**



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Over 25 years of commitment to excellence

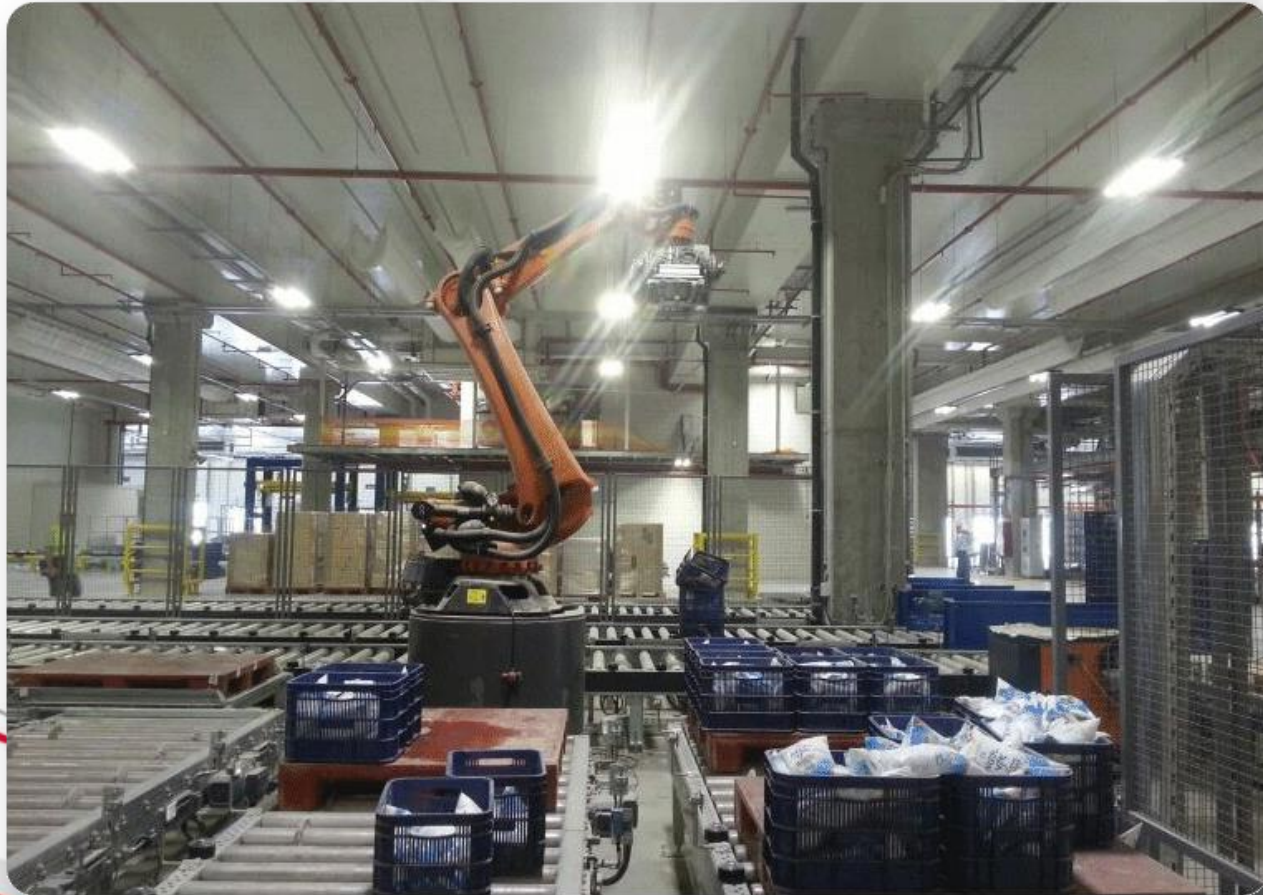




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Logistics systems – examples

Construction of national logistics center for Strauss Group in Shoham Industrial Zone



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Parking solutions segment



Automated parking – unique added value

- This emerging field offers automated solutions to parking challenges in many cities around the world:
 - ❖ capable of providing 2-3 times more parking spaces for a given area
 - ❖ In most cases price per parking space is lower than conventional parking
 - ❖ Improved driver experience, enhanced safety, time saving for drivers
 - ❖ "Green" solution (reduced pollution, reduced fuel consumption, reduced power consumption)
- Operating cost is lower than for conventional parking



Combined projects and off-the-shelf products

- Design, development and construction of automated parking systems, project-oriented operations
- Activity commenced 2007; subsidiary established 2011 in USA
- Offices in New Jersey, Los Angeles and Tel Aviv
- Development of building blocks (robotic components), control systems and management software for automated parking
- Direct sales and through distributors
- Selling to building developers and local authorities
- Value to customers:
 - Reduced construction costs
 - Reduced operating costs
 - capable of providing 2-3 times more parking spaces for a given area
 - Improved driver's experience, safety and personal security
 - Disabled access (ADA compliance)



Components



HVAC, Fires
Protection

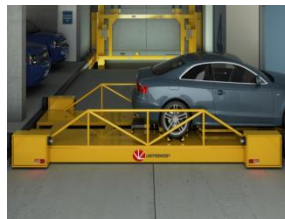


Construction



Civil Engineering

Modular Robotic Components

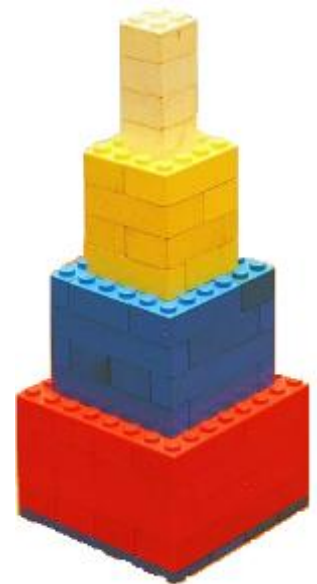


Integration



Knowledge
Experience
Engineering
Project management

Solutions



VAR - Value Added Reseller

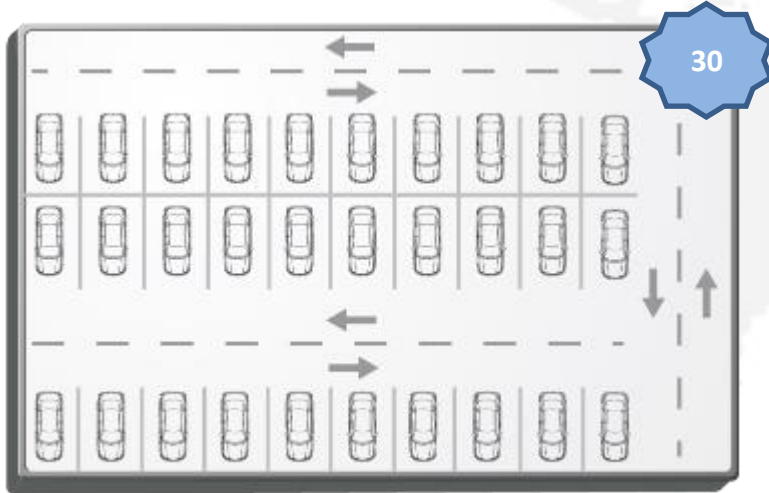


Parking solutions segment

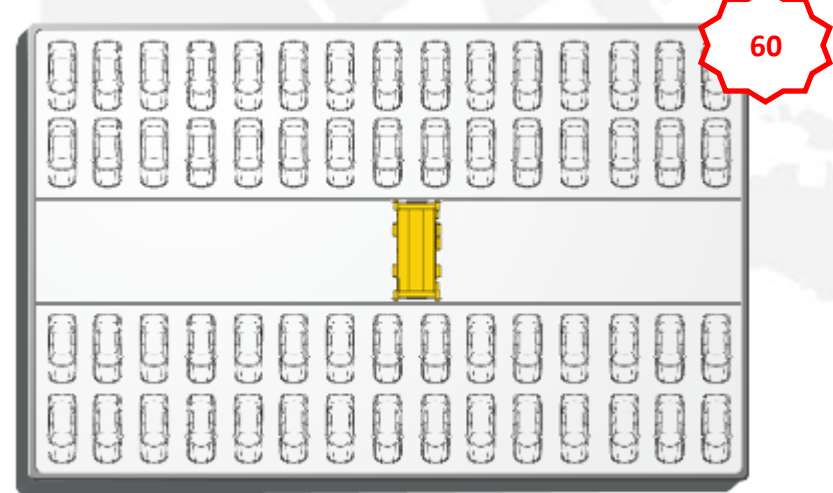
Capacity comparisons

Conventional parking

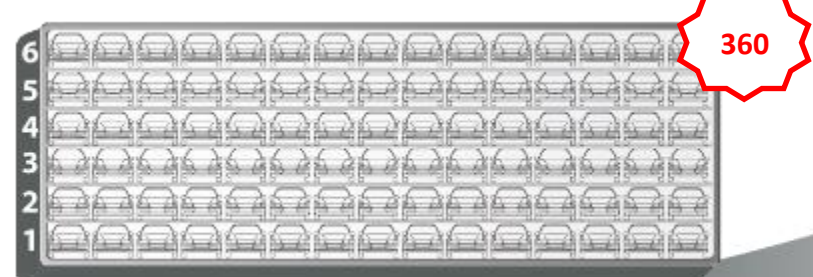
Same floor size – **x2** Parking space



Automated parking



Capacity increases **x3** to maximise revenue potential




Same building height - **More** floors



Parking solutions segment

Constructions costs comparisons

	Above ground		Above ground under building		Under ground under building	
						
	Automated \$/space	Conventional \$/space	Automated \$/space	Conventional \$/space	Automated \$/space	Conventional \$/space
Construction	\$9,225	\$19,250	\$14,625	\$33,750	\$19,125	\$47,250
Technology	\$14,000	-	\$14,000	-	\$14,000	-
Total	\$23,225	\$19,250	\$28,625	\$33,750	\$33,125	\$47,250
Saving per Space	(\$3,975)		\$5,125		\$14,125	



Systems and customers

- Long sales processes (2-4 years)
- Customers are mostly municipalities, institutions and private developers; to date, the company engaged with:
 - ✓ ▪ Hoboken, New Jersey, municipality (USD 2 million) 312 parking spaces
 - ✓ ▪ Mexico City, Mexico, private developer (USD 3 million) 200 parking spaces
 - Tel Aviv, Israel, private developer (NIS 5.2 million) 150 parking spaces
 - West Hollywood, California, municipality (USD 2.6 million) 200 parking spaces
 - Tel Aviv, Israel, private developer (NIS 1.2 million) 13 parking spaces
 - Hoboken, New Jersey, private developer (USD 3.8 million) 400 parking spaces



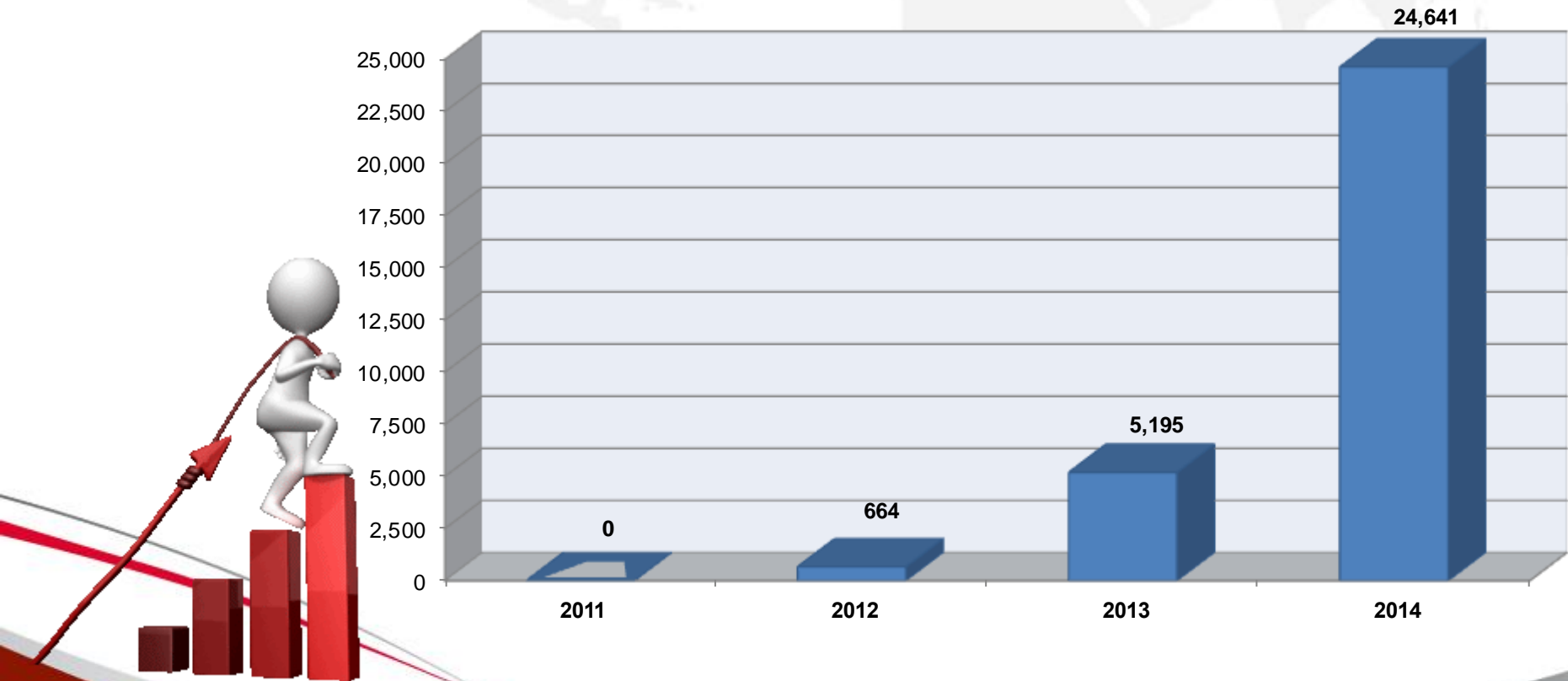
Systems and customers (continued)

- Manhattan, New York, private developer
(USD 0.9 million) 12 parking spaces
- Tel Aviv, Israel, (4 customers) private developers
(NIS 7 million) 115 parking spaces
- Ramat Gan, Israel, (3 customers) private developers
(NIS 5 million) 88 parking spaces
- Hoboken, New Jersey, private developer
(USD 2.6 million) 150 parking spaces
- Calgary, Canada
(USD 24 million) 1400 parking spaces



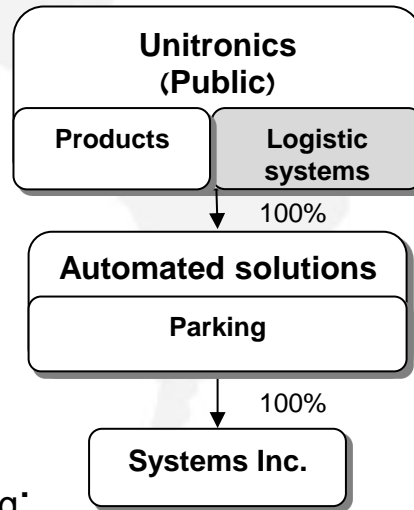
Revenues – Parking solutions – by quarter, recent years

NIS in thousands

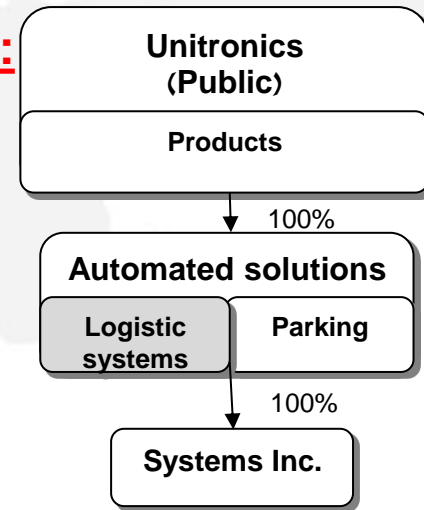


Automated solutions – Restructuring

Before:



After:



• **Purpose of the restructuring:**

- Synergy between similar areas of activities (marketing, sales, production and operating)
- Savings in costs and improve profitability
- Managerial focus
- Enhancing the activities of the automated installations sector separately from the product sector, the development and improvement thereof
- Enhancing the intrinsic value of Solutions for the best interests of the Company and its shareholders
- The act will enable raising private capital and/or public capital in Israel and overseas for Solutions



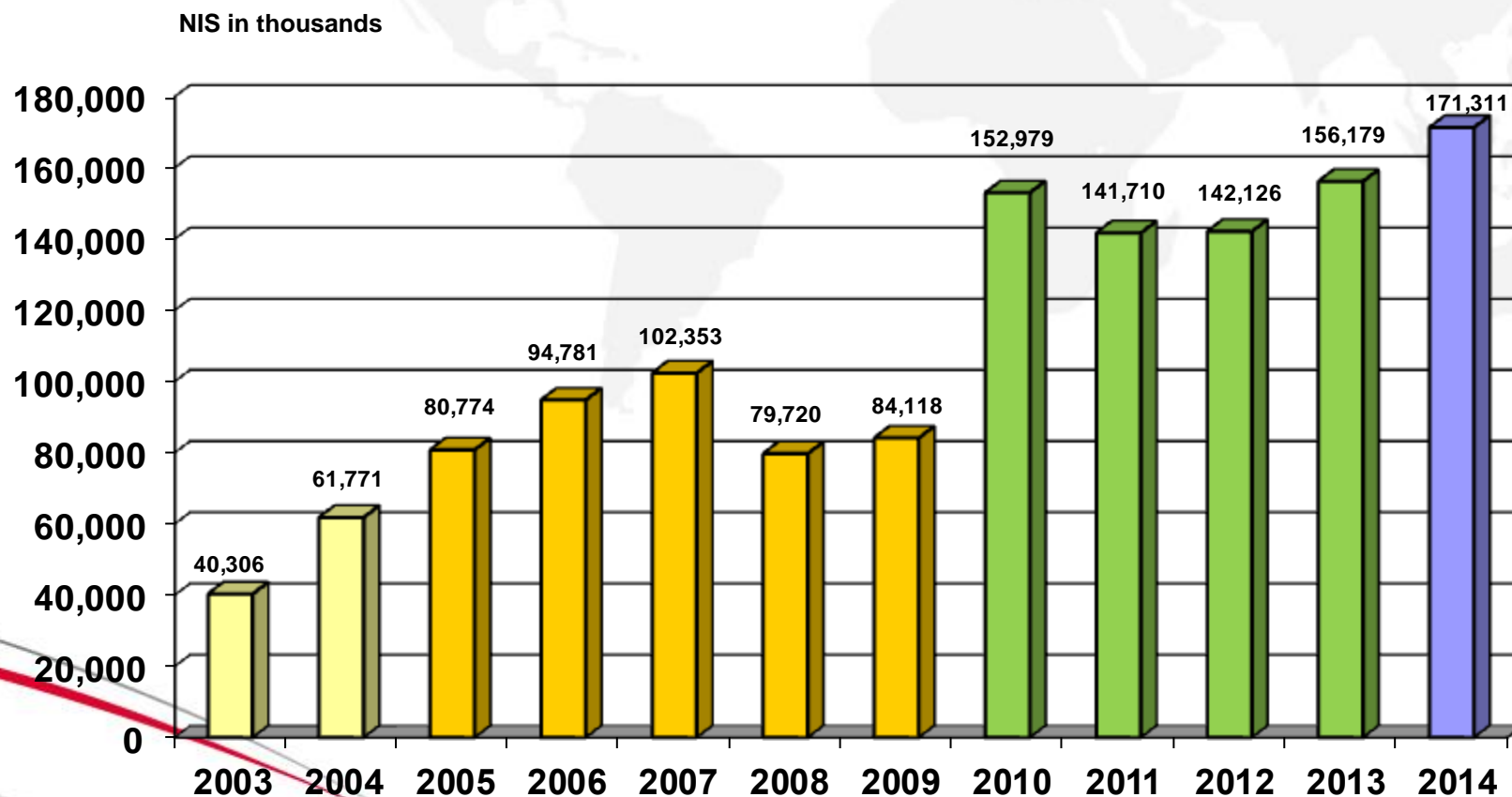
Financial statements – 2014





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Consolidated Revenues – recent years



25

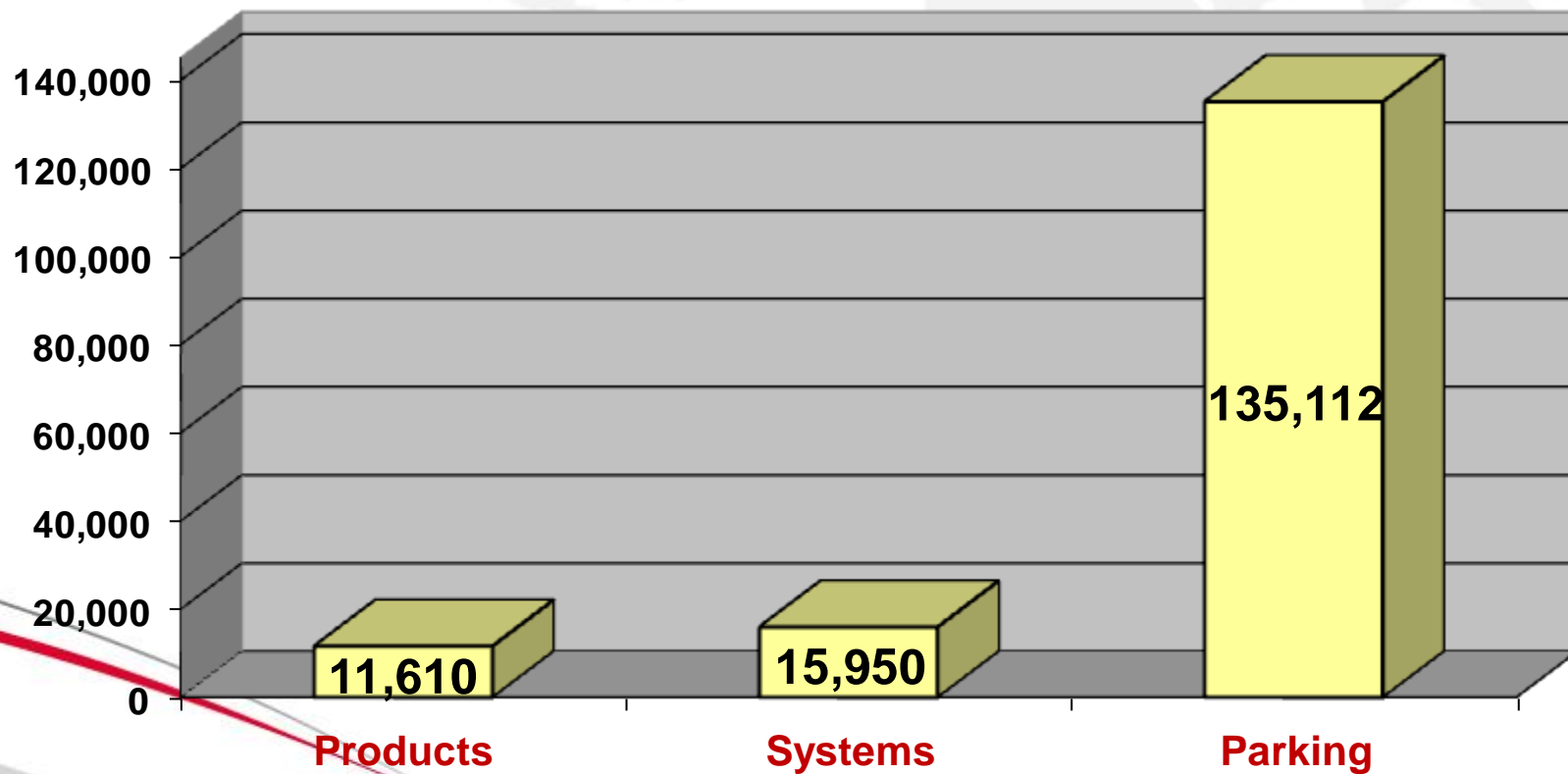
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Order backlog (as of March 31, 2015) by operating segment

NIS in thousands



Condensed consolidated income statement and cash flow data

NIS in thousands

	2014	2013	2012	2011
Revenues	171,311	156,179	142,126	141,702
Gross income	53,745	43,451	36,804	38,983
Gross margin	31%	28%	26%	27%
Development, net	6,102	5,706	5,576	2,991
Sales and marketing	20,657	17,056	17,616	14,091
General and administrative	11,148	11,240	8,828	8,201
Other Expenses, Net	2,150	7	-	-
Operating income	13,688	9,442	4,784	13,700
Financing Expenses, Net	8,531	7,832	3,498	5,767
Tax benefit (taxes on income)	(1,811)	(1,444)	114	-
Net income	3,346	166	1,400	7,933
Cash flow provided by current operations	14,264	3,332	22,314	5,899
Cash flow provided by financing operations	(14,330)	29,002	(11,051)	47,857
Cash flow provided by investment operations	454	(12,579)	(8,574)	(54,828)



Condensed Consolidated Balance Sheet information and Financial Ratios

NIS in thousands

	31/12/2013	31/12/2014
Total assets	206,563	206,047
Total current assets	121,387	131,977
Cash, cash equivalents and negotiable securities	64,667	66,808
Customers and Account Receivables	16,819	27,026
Inventory	18,866	27,967
Work inventory in progress	15,113	4,756
Total non-current assets (including fixed assets, real estate and intangible assets)	85,176	74,070
Total current liabilities	64,247	64,587
Current maturities of debentures	11,864	10,259
Trade payables	15,862	22,545
Other accounts payable	31,889	29,395
Total non-current liabilities	98,553	91,800
Bank loans	7,319	5,461
Debentures	87,251	81,432
Equity	43,763	49,660
Working capital	57,140	67,390
Current ratio	1.89	2.04



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Track record of timely debenture repayment



	2001 – EUR-denominated debentures (Euronext)	2004 – Debentures (Series 1) (Tel Aviv)	2006 – Debentures (Series 2) (Tel Aviv)	2011 – Debentures (Series 3) (Tel Aviv)	2013 – Debentures (Series 4) (Tel Aviv)	2014 – Debentures (Series 5) (Tel Aviv)
Type:	Convertible, EUR-denominated	Convertible, USD-denominated	CPI-linked	CPI-linked	CPI-linked	Not linked
Principal amount	EUR 3 million par value	NIS 35 million par value	NIS 34 million par value	NIS 56.44 million par value	NIS 53.12 million par value	NIS 40.00 million par value
Repayment	75% converted into shares, the balance repaid in 10 installments in 2006-2008	4 installments in 2007-2010	5 installments in 2009-2013	5 installments in 2013-2017. On October 2014, Early Redemption	6 installments in 2015-2020	9 installments in 2015-2023
Repaid to date	Fully repaid	Fully repaid	Fully repaid	Fully repaid	1 out of 6 installments	0 out of 9 installments
Current principal balance	0	0	0	0	NIS 46.31 million	NIS 40.00 million



36

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Over 25 years of commitment to excellence



- **Growing Israeli industrial company**

In business since 1989

- **Experienced, conservative management team**

- **Stable and growing operating segments over time**

International operations, international reputation

Recently, the company signed a binding letter of intent to build an automated parking in Canada for USD 24 million

- **Financial robustness**

- ❖ Liquid means (cash, cash equivalents and negotiable securities): NIS 67 million (Dec.31, 2014)
- ❖ Long-term liabilities:
Long-term bank loans: NIS 5 million, debentures: NIS 81 million (Dec.31, 2014)
- ❖ Accumulated cash flow provided by current operations NIS 46 million, from 2011 until 2014
- ❖ Shareholder equity: NIS 50 million (24% of total assets, Dec.31, 2014)



Thank you

